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A Pitched Battle for Stem Cell Research Headquarters

By DEAN E. MURPHY

SAN FRANCISCO, May 4 - The headquarters for California's new embryonic stem cell research program will have about 50 employees, none of whom will conduct the \$3 billion in experiments that voters authorized last fall as part of the ground-breaking endeavor.

Yet a bare-knuckles competition for the headquarters, the kind more commonly associated with Olympics bidding, concludes on Friday. Officials will decide then where to place the headquarters, having narrowed the field of 10 applicants to three by means of a hair-splitting ranking system calculated to the hundredth decimal point.

The cities and counties that submitted bids in March to a site-selection committee each offered millions of dollars in incentives beyond the basics, including free office space and laboratories, health clubs, world-class golf, luxury hotel rooms and even access to a corporate jet.

San Francisco finished with 222.75 points, followed by Sacramento with 200.50 and San Diego with 199.80. At its meeting in Fresno, the institute's 29-member oversight committee will be free to choose any of them.

The program, formally known as the California Institute for Regenerative Medicine, was authorized last year when voters committed \$300 million a year in bond money over the next 10 years to stem cell research. It is the largest state-sponsored research endeavor ever.

While most attention has focused on the science and politics of the undertaking, the competition over its real estate has been fierce, as officials across the state look beyond the modest scope of the administrative headquarters and see in it the genesis of "the next big thing" for their local economies.

Robert Klein, chairman of the oversight committee, likens the municipal enthusiasm to the civic roles of the Accademia del Cimento in Florence and the Royal Society of London in the 17th century. "What we are doing is a repeat of a major historical force where cities and their philanthropists join together behind a major research movement," he said.

San Francisco's 139-page bid, the most generous of all, is worth about \$18 million in giveaways from private entities and includes office furniture, a limousine service and the use of conference facilities at the Giants baseball stadium. The center would be on the second floor of a building in a waterfront redevelopment area across the street from the ballpark and near a new campus of the University of California, San Francisco.

Mayor Gavin Newsom, who has visions of a biotechnology-led recovery from the city's dot-com crash, has committed to raising \$4.7 million from private donors himself. "The institute becomes an extraordinary anchor in inviting people from around the world," Mr. Newsom said. "This will be the heart and soul of the United States' stem cell efforts."

While there is widespread agreement that the prize is worth winning, the contest has ignited simmering regional rivalries, leading to accusations of favoritism against some committee

members.

Rankings have been challenged, methodology questioned and aspersions cast.

Some San Diegans have suggested that the process is tilted toward San Francisco because Mr. Klein, who wrote last fall's initiative creating the institute, lives in the Bay Area. Mr. Klein acknowledged in an interview that San Francisco topped his list, but he said he could be swayed otherwise on Friday.

In Sacramento, anger has been directed at several members of the site-selection committee who did not show up last weekend for the official tour of the city's proposed headquarters building.

"They didn't even come to Sacramento," Mayor Heather Fargo said. "Yes, I have a problem with that."

Ms. Fargo said Sacramento was typically cast as the underdog in statewide competitions - who doesn't love to hate the capital? - but that it was perfectly suited for the headquarters. Not only would the institute's staff members be close to lawmakers and state agencies, but they would also be able to buy houses and arrive home from work in time to coach Little League, she said.

"If I was a millionaire and could afford a view of the coast in San Diego or San Francisco, that is a good option," Ms. Fargo said. "But that is not who they are going to be hiring to do the administration."

Some San Franciscans have questioned whether it was coincidental that the two members of the site-selection committee from San Diego awarded significantly lower marks to San Francisco than to San Diego when asked to give their "general overall impression" of the cities.

On a scale of 1 to 30, John C. Reed, the president of the Burnham Institute, gave San Francisco only 9 points, and Richard A. Murphy, president of the Salk Institute, gave it 10, according to unofficial tallies kept by the cities. Dr. Reed and Dr. Murphy, whose institutes are in San Diego, gave that city 27 points and 26 points, respectively, according to the unofficial tallies. The official tallies will not be available until Friday.

Dr. Murphy, in an e-mail interview, said he did not believe regional rivalries played a role in the rankings by the site-selection committee, which he described as "extremely professional and objective."

While describing San Francisco as "a lovely international city that has terrific hotels and conference facilities," Dr. Murphy said the San Diego site "has the potential to become a world center for stem cell science as well as administration."

The San Diego bid would place the headquarters in the Torrey Pines Mesa area of La Jolla in a building that overlooks Torrey Pines Golf Course (site of the 2008 U.S. Open Championship) and the Pacific Ocean. The building is a 15-minute walk from a large biotechnology business park; the University of California, San Diego; and several renowned research centers.

"Because of the scientific strength of this area and the always-good weather, La Jolla is a valued meeting site by scientists from all over the world," Dr. Murphy said.

In the tense competition, advantages have been turned into disadvantages by rivals.

San Francisco has promoted its stunning setting, but detractors note that the ocean is too chilly for swimming. San Diego boasts abundant sunshine, but critics say it lacks San Francisco's urban sophistication. Sacramento has cheaper housing and shorter commutes than both coastal cities, but even Gov. Arnold Schwarzenegger is still living out of a suitcase, 18 months into his job there, boosters for the other cities note.

"Regionalism has reared its head in extraordinary ways," said Mr. Newsom, who complained about pot shots against his hometown yet rattled off the number of consulates and airport travelers in each of the three cities, with San Francisco, of course, leading the pack.

"No greater international city, outside New York, exists," he said. "It is objectively factual."

In preparing for the vote on Friday, Andrea Moser, a vice president of the San Diego Regional Economic Development Corporation, plodded through a list of the committee members and marked "N" or "S" after each to indicate location in Northern or Southern California. She said her eye was out for possible swing votes.

"I was in my mind thinking, 'Is there anybody from Santa Barbara?' " Ms. Moser said. "They never know where they are. They want the Northern California panache and the Southern California lifestyle. But there were none from Santa Barbara."

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